



## ILLINOIS COMMERCE COMMISSION

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December 8, 2006

Chicago Transit Authority, a Municipal Corporation,  
Petitioner,

Vs.

Union Pacific Railroad Company, a Delaware Corporation; and Unknown  
Owners,, generally,  
Respondents.

T06-0104

Petition for approval of the taking of an easement owned by a transportation  
common carrier in Chicago, Illinois by exercising the right of eminent domain.

Ms. Francine D. Lynch  
Neal & Leroy, LLC  
203 North LaSalle Street, Suite 2300  
Chicago, IL 60601

Dear Ms. Lynch:

Receipt is acknowledged of the original and three (3) copies of the Petition filed December 8, 2006 in the above matter.

**All future correspondence/pleadings should be filed with an original and two (2) copies and addressed to: Mr. Dave Lazarides, Acting Director of Processing, Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, IL 62701 or you may file the original electronically through E-docket if you have an account. To apply for an account, please log on to [www.icc.illinois.gov](http://www.icc.illinois.gov) and apply for an E-docket account.**

Processing and Information Section

KI

Cc: Mr. Mack Shumate, UP  
Mr. Dave McKernan, UP  
Mr. Douglas G. Felder, SAAG  
Mr. John J. Lawlor, Sonnenschein Nath & Rosenthal  
Mr. Langdon Neal, Neal & Leroy, LLC  
Mr. Brian Vercruysse, ICC Staff

ORIGINAL

STATE OF ILLINOIS       )  
                                  )  
COUNTY OF C O O K    )

SS

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

**RECEIVED**  
DEC 8 2006

Illinois Commerce Commission  
RAIL SAFETY SECTION

CHICAGO TRANSIT AUTHORITY, a  
Municipal Corporation,

The Petitioner

Docket No.

vs.

TD6-0104

UNION PACIFIC RAILROAD COMPANY, a  
Delaware Corporation;  
and UNKNOWN OWNERS,  
generally

- Respondents

Petition for approval of the taking  
of an easement owned by a transportation  
common carrier in Chicago, Illinois by  
exercising the right of eminent domain

**PETITION FOR APPROVAL TO TAKE PROPERTY**

TO THE ILLINOIS COMMERCE COMMISSION:

The CHICAGO TRANSIT AUTHORITY, a municipal corporation, State of Illinois, by its attorneys, EUGENE MUNIN, Acting General Counsel, and NEAL & LEROY, L.L.C., special counsel, requests approval of the Illinois Commerce Commission for the taking and/or damaging of certain properties owned by UNION PACIFIC RAILROAD COMPANY, a Delaware Corporation (the "Railroad"), a public transportation common carrier subject to the jurisdiction of the ILLINOIS COMMERCE COMMISSION.

1. That by virtue of the provisions of an Act of the General Assembly of the State of Illinois entitled the "Metropolitan Transit Authority Act" 70 ILCS 3605/1 et seq. as amended, and adopted by the

**DOCKETED**

DEC - 8 2006

electors of the City of Chicago on June 4, 1945, and pursuant to Illinois Code of Civil Procedure 735 ILCS 5/7-101 et seq., Plaintiff is authorized to acquire, construct, own, operate and maintain for public service a transportation system in the Metropolitan Area of Cook County, Illinois and is vested with all the powers necessary and convenient to accomplish the purposes of said act, including the right to acquire by condemnation any property necessary, convenient and desirable for the purposes of the Authority.

2. Pursuant to Section 10 of the Act, the Authority has the right of eminent domain to acquire property of any railroad which is not used for the transportation of persons or property and to acquire rights and easements across, under or over the right of way of such railroad.

3. Currently the Authority leases property from Union Pacific Railroad Company successor in interest to Northwestern Transportation Company by lease dated January 6, 1959 as amended and known as agreement 69974, July 15, 1960 lease and Addendum to said lease dated May 19, 1969 which the Authority uses to provide mass transit service for the Green Line. That the operation of the Green Line transit line can not be maintained without said easements. (Copies of the leases are attached hereto as Group Exhibit B).

4. Pursuant to the terms of the lease as amended said lease may be terminated with notice.

5. The Railroad is subject to the jurisdiction of the Commission.

6. The Railroad is title holder to the subject property and the certain easement, said property being located in the City of Chicago, County of County, and the legal description of which is attached hereto and marked as Exhibit A.

7. The CTA has been authorized to acquire a permanent easement legally described on attached Group Exhibit B, and it is necessary for the CTA to acquire said property for continued operation.

8. The terms of the compensation to be paid by the CTA for the easement as described on attached Group Exhibit B cannot be agreed upon between the CTA and the Railroad, although the CTA has attempted to effect such an agreement (see attached exhibit C.) The CTA, therefore, is authorized and desires to proceed to acquire the easement under the eminent domain laws of this State.

9. Section 7-102 of the Code of Civil Procedure (735 ILCS 5/7-102) requires the CTA to obtain approval of the Commission prior to the taking of the Railroad's property described in Group Exhibit B.

WHEREFORE, the CTA requests the Commission to approve the taking of the easement as described on the attached Group Exhibit B of the Railroad by the exercise of the right of eminent domain.

CHICAGO TRANSIT AUTHORITY,  
Eugene Munin, Acting General Counsel

By:

Neal & Leroy, LLC

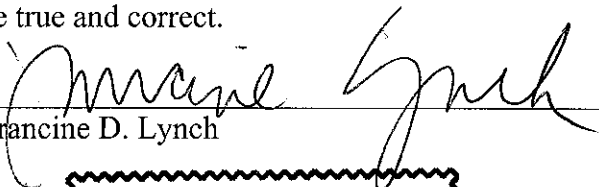
Eugene Munin  
Acting General Counsel  
Chicago Transit Authority

Langdon D. Neal  
Francine D. Lynch  
Neal & Leroy, LLC  
Special Assistant Counsel  
203 N. LaSalle Street, Suite 2300  
Chicago, IL 60601  
312/641-7144

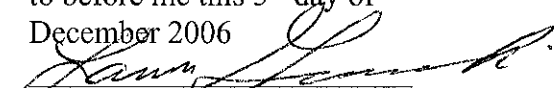
Douglas Felder  
203 N. LaSalle Street, Suite 2300  
Chicago, IL 60601  
312/634-3509

STATE OF ILLINOIS       )  
  ) SS  
COUNTY OF C O O K       )

I, Francine D. Lynch, being first duly sworn, upon oath, depose and say that I am a Special Assistant Counsel for the Chicago Transit Authority, that I have read the above and foregoing Petition by me subscribed, I have knowledge of the contents thereof, and that on information and belief said contents are true and correct.

  
Francine D. Lynch

SUBSCRIBED and SWORN  
to before me this 5<sup>th</sup> day of  
December 2006

  
Notary Public



**AFFIDAVIT OF SERVICE**

I, Francine D. Lynch, being first duly sworn, on oath, states that she served the foregoing Petition upon the following addresses at their respective addresses set forth:

**VIA CERTIFIED MAIL**

Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62708  
Attention: Dave Lazarides

**U.S. MAIL**

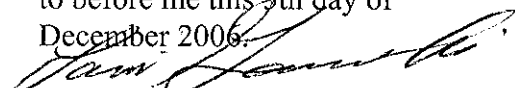
John J. Lawlor  
Sonnenschein Nath & Rosenthal  
7800 Sears Tower  
233 S. Wacker Drive  
Chicago, IL 60606

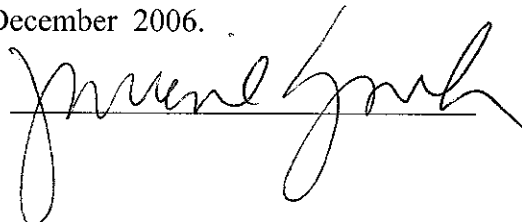
**U.S. MAIL**

Dennis D. Brown  
Union Pacific Railroad Company  
1400 Douglas Street – Stop 1690  
Omaha, NE 68179

by enclosing a copy of said Petition, together with Exhibit A and Group Exhibit B to said Petition, in an envelope correctly addressed by certified mail, return receipt request postage affixed thereto, sealed and deposited said envelopes in the U.S. Mail Chute at 203 North LaSalle Street, Chicago, Illinois, before 5:00 p.m. on the 5th day of December 2006.

SUBSCRIBED and SWORN  
to before me this 5th day of  
December 2006

  
Notary Public





## EXHIBIT A

### PARCEL 1(A)

A STRIP 100 FT WIDE RAILROAD RIGHT-OF-WAY EAST AND WEST THROUGH SECTION 7, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPT THAT PART IN THE OAK PARK TAX INCREMENT DISTRICT.

### PARCEL 1(B)

A STRIP OF RAILROAD RIGHT-OF-WAY THROUGH 12.08 ACRES OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13 EAST THE THIRD PRINCIPAL MERIDIAN.

### PARCEL 1(C)

A STRIP 100 FT. WIDE RAILROAD RIGHT-OF-WAY NORTH AND WEST THROUGH THE EAST ½ OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN.

### PARCEL 1(D)

A STRIP 100 FT. WIDE RAILROAD RIGHT-OF-WAY EAST AND WEST THROUGH 12.28 ACRES OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN.

P.I.N.	16-07-500-002 (part)
	16-07-500-003 (part)
	16-08-500-001 (part)
	16-08-500-002 (part)
	16-09-500-004 (part)

Harlem Yard 1960 Lease  
(West of Harlem Avenue)  
P.I.N. 15-12-501-001 (part)

A STRIP 100 FT. WIDE RAILROAD RIGHT-OF-WAY WEST AND THROUGH THE EAST 1/4 OF SECTION 12, TOWNSHIP 39 NORTH RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN.

LEASE No. 69974

11-25-58

THIS INDENTURE, made this 6th day of January, 1959, between CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation, as Lessor, and CHICAGO TRANSIT AUTHORITY, a municipal corporation of Illinois, as Lessee, WITNESSETH:

Whereas, the Lessor is a railroad corporation organized and existing under the laws of the State of Wisconsin which owns the right of way in the City of Chicago and in the Village of Oak Park immediately north of and parallel to the Lake Street branch of the Rapid Transit Division of the Lessee from Laramie Avenue in the City of Chicago west through the Village of Oak Park, and

Whereas, the Lessor has agreed to lease a part of its right of way to the Lessee from the west line of Laramie Avenue in the City of Chicago to the west line of Harlem Avenue in the Village of Oak Park in order to provide a right of way for the Lessee elevated from ground level where the Lessee now operates, and

Whereas, in order to provide funds for the necessary construction, the City of Chicago, State of Illinois, the Village of Oak Park and the Chicago Transit Authority have agreed to contribute to the payment of the initial costs of said project,

Now, Therefore, this indenture witnesseth:

1.

The Lessor, for and in consideration of the rents, covenants and conditions herein expressed on the part of the Lessee, to be paid, kept and performed, does hereby lease for passenger transportation purposes



unto the said Lessee, its successors and assigns that part of the right of way of the Lessor, located in the City of Chicago and the Village of Oak Park State of Illinois, as shown on the plat attached hereto marked Exhibit A, reserving unto Lessor the right to use the property under and over said right of way, providing such use by Lessor does not interfere with Lessee's use of said right of way for passenger transportation purposes. The Lessor will sell and convey to the Lessee the two tracks now on said demised right of way for \$136,500.00 which represents one-half the present depreciated value of said two tracks effective when the additional track and facilities specified in the construction contract between the parties have been turned over to Lessor.

To have and to hold said right of way and all benefits and advantages thereof for passenger transportation purposes unto the said Lessee for and during and until the full term of this perpetual lease, provided, however, that this lease shall terminate at any time the Lessee or Lessor or their respective successors discontinue transportation operations on said right of way.

2.

The Lessee, its successors and assigns, in consideration of the premises and of the covenants herein contained on the part of the Lessor, will pay to the Lessor as and for the rent of said premises the sum of \$14,066.67 monthly, beginning one year after the date when the two tracks are released to Lessee by Lessor and on the first day of each month thereafter during said term or beginning on the date Lessee commences passenger operation, whichever is sooner.

The estimated amount of the taxes for the year 1956 on the

entire right of way of the Lessor from the eastern point of the leased property to the western point of the leased property is \$74,000.00, and 40% of said sum, or \$29,600.00, is included as part of the annual rental to be paid by the Lessee hereunder. The Lessor will recompute such applicable taxes when finally determined at the end of each five-year period in the same manner used to compute the amount of \$74,000.00, and the rental will then be adjusted accordingly. In addition, any increase in the annual Illinois ad valorem taxes allocable to and occasioned by rentals received by the Lessor from the demised property shall be added to rentals for the next five-year period and the rental automatically adjusted accordingly. In the event the property herein demised is exempted from real estate and personal property taxes because of its use by the Lessee (or otherwise) the future rental to be paid hereunder, after the effective date of such exemption, shall be reduced by the amount of such exemption. The Lessee will pay 40% of any special assessment levied against Lessor's property described in the following paragraph.

At the end of ten years following the date of the first payment of rent hereunder and at the end of each ten-year period thereafter it is agreed that an appraisal of the land herein leased shall be made and an adjustment of the rental shall be made based upon the proportion the appraised value bears to the present appraised value of said property. It is agreed that the area of the right of way (consisting of both that part retained by the Lessor and that part leased hereunder) between the east and west boundaries shown on Exhibit A comprises 1,221,000 square feet of property and that the total appraised value of said property is \$1,940,000.00 on the date of the beginning of the term of this lease.

If the parties hereto are not able to agree to the amount of the appraised value at the end of any ten-year period, it shall be submitted to

three appraisers to be chosen, one by each party hereto and the third by the two so chosen; the parties shall appoint their respective appraisers thirty days prior to the end of such ten-year period; if the appraisers so appointed are unable to agree upon the third appraiser within the thirty-day period ending with said ten-year period, such third appraiser may be appointed by any person sitting as judge of the District Court of the United States for the district and division in which Cook County, Illinois is then located upon ten days' notice in writing of the application for said purpose. The appraisers chosen as aforesaid shall immediately determine the valuation of the area of the right of way at the end of said ten-year period and shall notify the parties of their decision whereupon the rental to be paid for the ensuing ten-year period shall be based upon the valuation so determined. If there is an increase in the value of the land the Lessee will pay 10% of 40% of the increase in value as additional annual rental. If there is a decrease in the value of the land the annual rental shall be decreased by 10% of 40% of the decrease in value.

3.

The Lessor, for itself, its successors and assigns, in consideration of the premises, covenants and agrees with the Lessee, its successors and assigns, that the Lessor is well seized of and entitled to the possession of all and singular the property hereby demised and that the Lessee, observing and fulfilling the covenants on its part herein contained, shall during the term hereby granted have, use, occupy and possess the said right of way and the granted premises for passenger transportation purposes and receive and enjoy to its own use the earnings and income thereof.

The Lessee shall have the right to enter into agreements with respect to advertising on space in the Lessee's stations, platforms and otherwise on the demised premises, but not on joint property, and the revenues derived from such advertising shall be the property of the Lessee.

4.

The Lessee at all times during the term of this lease shall have full and exclusive right, power and authority to occupy, control, manage and operate all of the demised property and such additional railroad tracks, buildings and other facilities as it may deem desirable. Subject to prior written approval of Lessor's Chief Engineer, Lessee may make such additions, alterations, or changes to the demised property as it may deem proper. (

All tracks which are now upon the demised property and all tracks, buildings, electrical, signal and communications equipment and other facilities which may hereafter be placed upon the demised property by the Lessee shall be deemed to be the sole property of the Lessee and shall so remain until and unless acquired by the Lessor, as herein provided. Upon the termination of this lease the Lessor may, at its option, purchase all or any part of such tracks, buildings, equipment and other facilities installed at the expense of the Lessee, at the then net salvage value of the facilities. Should the Lessor fail to exercise said option as to any of such tracks, buildings or other facilities, the Lessee shall, at its expense, remove the same from the demised property, and failure to so remove within a reasonable time shall be considered an abandonment thereof.

5.

When used in this lease the term "joint facilities" shall mean the north and south retaining walls, abutment walls, grading, the bridges over the north and south streets which pass through the right of way, Oak Park station subway, streets and street facilities under the right of way, the drainage facilities, and all other jointly used facilities.

In the event the Lessor decides it is necessary to construct what it considers to be a new joint facility (in addition to those specified above) or an improvement to an existing joint facility which is not a replacement of an existing joint facility, it shall notify the Lessee and, upon the agreement of the parties hereto as to the necessity for and the cost of such joint facility, which agreement shall not be unreasonably withheld, upon receipt of a statement showing the expenditures incurred in the construction thereof the Lessee will reimburse the Lessor for an amount equal to 40% of the amount expended therefor.

Whenever in the opinion of Lessor any maintenance or replacement of any joint facility chargeable to operating expenses must be undertaken, Lessor will accomplish such maintenance or replacement and Lessee will promptly reimburse Lessor for an amount equal to 40% of the cost thereof upon receipt of a statement showing such cost. Lessor shall be bound to use only reasonable and customary care in maintaining, repairing and renewing the joint facilities, and Lessee shall not by reason of any defect in a joint facility or by reason of failure of Lessor to repair any such defect, have nor make any claim or demand against Lessor for any loss, damage, injury or death whatsoever arising from such defect or failure. If Lessor fails to repair or renew any such defect within a reasonable time after Lessee has

given written notice to Lessor specifying the defect and requesting that the same be repaired, then Lessee shall have the right to make the necessary repairs or renewals and Lessor shall pay 60% of the costs of such repairs or renewals.

Whenever, in the opinion of the Lessor, any replacement or enlargement of any existing joint facility chargeable to Capital Account is necessary, the cost of reproduction new of such joint facility as of the date of replacement shall be determined by agreement between Lessor and Lessee. After such replacement or enlargement, the Lessee will reimburse the Lessor for 40% of the difference in cost between the cost of such new facility installed and the cost of reproduction new as of December 31, 1957 of the facility retired. Also, the Lessee shall pay 40% of all operating expenses in connection with such replacement or enlargement of any existing joint facilities.

The Lessee at all times during the term of this lease shall maintain at its sole cost and expense the tracks, platforms, stations, stairway and other facilities used exclusively by it. Where any construction, replacement or maintenance is performed by one of the parties either for the other party or for the joint benefit of the parties hereto, and the costs are to be allocated between the parties, overheads shall be added in accordance with the Rules and Regulations of the General Managers' Association of Chicago which are in force at the time said work is done. Lessee shall not undertake any work, the cost of which is to be borne in fact by Lessor, without prior written approval of the Chief Engineer of Lessor.

Construction of new facilities, after the initial construction of facilities for the sole use of the Lessee is completed, and during the term of this lease shall be made by the Lessee or by contract entered

into by Lessee at the cost of the Lessee, provided, however, that Lessor's approval to such new construction or changes shall first be obtained. Title to all such new facilities constructed or installed for the sole use of the Lessee shall be retained by the Lessee.

Lessee shall promptly pay in full all license fees or similar charges which are assessed against Lessor because of its ownership of the premises herein leased to Lessee.

6.

The Lessee will at all times during the term of this lease, at its expense, operate a public passenger transportation system upon said right of way and maintain and keep the same and everything appertaining thereto in good order, condition and repair as soon as the construction of the stations, stairways, tracks, signal and electrical systems, and all other necessary facilities are completed so that the Lessee can conduct transportation on the demised right of way during the term hereby granted, and will operate the same and furnish such materials, rolling stock, equipment, supplies and other things as shall be requisite for that purpose.

7.

Each party will be liable for all claims and causes of action for personal injury, death and property damage of every kind and nature proximately caused by its own negligence or the negligence of its servants, agents or employees, except for claims or causes of action brought against either party for personal injury, death or property damage of every kind and nature arising in connection with the maintenance of any joint facility, and each party will indemnify and save harmless the other for all claims

and causes of action brought against the other party, so caused, provided that the situs of the occurrence giving rise to the claim or cause of action is on the right of way of either party or the adjacent facilities. Each party shall give to the other written notice of such claim or cause of action and the other party shall have the right to appear in any suit and resist or defend the same without prejudice to its rights under this lease. In the case of claims or causes of action brought against either party for personal injury, death or property damage of every kind and nature arising in connection with the maintenance of any joint facility, Lessor shall pay 60% and Lessee 40% of all costs, expenses, settlements and judgments in such cases and no settlement shall be made in any such case without the prior approval of the other party hereto; provided that all costs, expenses, settlements and judgments arising out of claims or causes of action to employees or passengers of one party in an accident to a train of that party and proximately caused by negligence in the maintenance of a joint facility, or by an Act of God or by unknown or concealed causes making it impossible to determine the responsibilities, shall be borne by that party whose train is concerned in the accident. Where there is disagreement as to liability between the parties on account of any loss, damage or expense, or if there is a dispute as to proper division of the responsibility for such loss, damage or expense, then within ninety (90) days from the date of the occurrence giving rise thereto, the heads of the Claim Departments of the parties shall agree upon an arbitrator to determine said responsibility; but, if said heads of the Claim Departments are unable to agree upon an arbitrator within such period, the arbitrator may be appointed by any judge of the United States District Court, for the Northern District of Illinois, upon

ten (10) days' notice in writing of the application for such purpose.

8.

Should the Lessee fail to make the payments herein specified at the times and in the manner hereinbefore provided, time being of the essence of this indenture, or fail to perform any of the other covenants and agreements herein contained by it to be performed, such failure shall constitute a breach of this indenture and if such default shall continue for a period of ninety (90) days after written notice served by the Lessor, this lease shall thereupon terminate and the Lessee shall, upon the expiration of said ninety (90) days, forfeit all rights and interest hereby granted, and the Lessor may thereupon, with or without process of law, exclude the Lessee from the further possession and use of the said demised premises, and the Lessee shall have no claim against the Lessor on account of such exclusion.

9.

Except for subleases to persons to sell articles at Lessee's stations, Lessee may not sublease any of the premises or right of way which are the subject of this lease without prior written approval of Chief Engineer of Lessor.

This agreement shall not become effective until approved by any regulatory authorities whose approval is required, and until the contract between Lessor and Lessee and others concerning the construction of the said trackage and facilities has been fully executed and

similarly approved.

This lease shall be binding upon and inure to the benefit of the successors and assigns of both parties. This lease is subject to termination (a) at the option of the Trustee of the mortgage dated as of January 1, 1939 between the Lessor and The First National Bank of Chicago upon the occurrence of an event of default as defined in said mortgage, and (b) at the option of the Trustee of the mortgage dated as of January 1, 1939 between the Lessor and the Chemical Corn Exchange Bank of New York upon the occurrence of an event of default as defined in said mortgage.

IN WITNESS WHEREOF, the parties have caused this indenture to be executed in their names and behalf by their respective officers all as of the day first above written.

CHICAGO AND NORTH WESTERN  
RAILWAY COMPANY

By

  
President

ATTEST:

  
Secretary

CHICAGO TRANSIT AUTHORITY

By

  
Chairman

Chicago Transit Board

ATTEST:

APPROVED APR 17 58

  
GENERAL MANAGER

  
Secretary

AUTHORIZED BY ORDINANCE NO.  
58-25 OF CHICAGO TRANSIT BOARD

  
ASSISTANT SECRETARY

ADDENDUM TO LEASE NO. 69974 dated January 6, 1959 and Indenture dated July 15, 1960 between the CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a Wisconsin corporation, and the CHICAGO TRANSIT AUTHORITY,

WITNESSETH:

By virtue of said agreements, the CHICAGO AND NORTH WESTERN RAILWAY COMPANY and CHICAGO TRANSIT AUTHORITY agree to the deletion of an area of 540 square feet, more or less, shown in green color and the addition of an area of 7,532 square feet shown in yellow color on the print dated October 23, 1968 attached hereto and made a part hereof.

IT IS MUTUALLY AGREED, by and between the undersigned parties as follows:

The aforesaid agreement No. 69974 shall be and the same is hereby modified to reflect the area changes as indicated above, effective November 1, 1968.

The rental of said agreement No. 69974 is hereby increased by \$25.00 per month by this Addendum.

Except as hereinbefore provided, all the terms, provisions and covenants contained in said agreements will remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this addendum on 19th day of May, 1969 in duplicate.

ATTEST:

G.L. Vargann 1st  
Secretary

CHICAGO AND NORTH WESTERN RAILWAY COMPANY

By Larry D. Lane 1st  
its

ATTEST:

A. Hedberg  
Secretary

CHICAGO TRANSIT AUTHORITY

By [Signature]  
its Chairman, Chicago Transit Board

APPROVED:

AUTHORIZED BY ORDINANCE NO.  
69-23 OF CHICAGO TRANSIT BOARD

A. Hedberg  
ASSISTANT SECRETARY

APPROVED:

Robert W. McKay  
ASSISTANT VICE PRESIDENT  
AND DIRECTOR OF REAL ESTATE

APPROVED AS TO FORM

[Signature]  
ATTORNEY

Approved as to Engineering

[Signature]  
CHIEF ENGINEER



THIS INDENTURE, made this 15<sup>th</sup> day of July, 1960, between CHICAGO AND NORTH WESTERN RAILWAY COMPANY, a corporation, as Lessor, and CHICAGO TRANSIT AUTHORITY, a municipal corporation of Illinois, as Lessee, WITNESSETH:

Whereas, the Lessor and the Lessee have, under date of January 6, 1959, entered into an indenture of lease of property on the right of way of the Lessor, between the west line of Laramie Avenue in the City of Chicago, and the west line of Harlem Avenue in the Village of Oak Park, and the parties now propose by this indenture to enter into a lease for property of the Lessor lying immediately west of the property covered by said lease dated January 6, 1959,

Now, Therefore, this indenture witnesseth:

1.

The Lessor, for and in consideration of the rents, covenants and conditions herein expressed on the part of the Lessee, to be paid, kept and performed, does hereby lease for passenger transportation purposes unto the said Lessee, its successors and assigns, that part of the right of way of the Lessor located in the Village of Forest Park, State of Illinois, as shown on the plat attached hereto marked Exhibit A, reserving unto the Lessor the right to use the property over said right of way, providing such use by Lessor does not interfere with the Lessee's use of said right of way for passenger transportation and storage purposes.

To have and to hold said right of way and all benefits and advantages thereof for passenger transportation and storage purposes unto the said Lessee for and during and until the full term of this perpetual lease, provided, however, that this lease shall terminate at any time

the Lessor or Lessee, or their respective successors, discontinue transportation operations and the storage of cars on said right of way.

The Lessor will sell and convey to the Lessee the two tracks now on said demised right of way for \$17,480.00 which represents one-half the present depreciated value of said two tracks, effective and payable when the additional tracks and facilities specified in the construction contracts between the parties have been turned over to Lessor.

2.

The Lessee, its successors and assigns, in consideration of the premises and of the covenants herein contained on the part of the Lessor, will pay to the Lessor as and for the rent of said premises the sum of \$750.42 monthly, beginning on the same date the rental begins in the said lease between the parties, dated January 6, 1959, above referred to, a copy of which is attached hereto.

The estimated amount of the taxes for the year 1956 on the entire right of way of the Lessor from the west line of the property leased pursuant to said lease dated January 6, 1959, to the western point of the property leased herein is \$4,076.00 and 40% of said sum, or \$1,630.40, is included as a part of the annual rental to be paid by the Lessee hereunder. The Lessor will recompute such applicable taxes when finally determined at the end of each five-year period in the same manner used to compute the monthly amount of \$750.42, and the rental will then be adjusted accordingly. In addition, any increase in the annual Illinois ad valorem taxes allocable to and occasioned by rentals received by the Lessor from the demised property shall be added to rentals for the next five-year period and the rental automatically adjusted accordingly. In the event

the property herein demised is exempted from real estate and personal property taxes because of its use by the Lessee (or otherwise) the future rental to be paid hereunder, after the effective date of such exemption, shall be reduced by the amount of such exemption. The Lessee will pay 40% of any special assessment levied against Lessor's property described in the following paragraph.

At the end of ten years following the date of the first payment of rent hereunder and at the end of each ten-year period thereafter it is agreed that an appraisal of the land herein leased shall be made and an adjustment of the rental shall be made based upon the proportion the appraised value bears to the present appraised value of said property. It is agreed that the area of the right of way (consisting of both that part retained by the Lessor and that part leased hereunder) between the east and west boundaries shown on Exhibit A comprises 179,820 square feet of property and that the total appraised value of said property is \$166,334.00 on the date of the beginning of the term of this lease.

If the parties hereto are not able to agree to the amount of the appraised value at the end of any ten-year period, it shall be submitted to three appraisers to be chosen, one by each party hereto and the third by the two so chosen; the parties shall appoint their respective appraisers thirty days prior to the end of such ten-year period; if the appraisers so appointed are unable to agree upon the third appraiser within the thirty-day period ending with said ten-year period, such third appraiser may be appointed by any person sitting as judge of the District Court of the United States for the district and division in which Cook County, Illinois is then located upon ten days' notice in writing of the application for said purpose. The appraisers chosen as aforesaid shall

immediately determine the valuation of the area of the right of way at the end of said ten-year period and shall notify the parties of their decision whereupon the rental to be paid for the ensuing ten-year period shall be based upon the valuation so determined. If there is an increase in the value of the land the Lessee will pay 10% of 40% of the increase in value as additional annual rental. If there is a decrease in the value of the land the annual rental shall be decreased by 10% of 40% of the decrease in value.

3.

Lessee will at all times during the term of this lease at its expense operate a public transportation system upon said right of way, or use said property for storage purposes, and maintain and keep the same and everything appertaining thereto in good order, condition and repair.

4.

The provisions of Sections 3, 4, 5, 7, 8 and 9 of the lease between the parties hereto dated January 6, 1959, shall be incorporated in this lease as though fully herein set forth.

IN WITNESS WHEREOF, the parties have caused this

indenture to be executed in their names and behalf by their respective officers all as of the day first above written.

CHICAGO AND NORTH WESTERN  
RAILWAY COMPANY

By

*G. J. Patrick*  
President

ATTEST:

*W. J. McKeen*

Assistant Secretary

CHICAGO TRANSIT AUTHORITY

By

*F. C. Lumbard*  
Chairman

Chicago Transit Board

ATTEST:

*William H. McKenna*

Secretary

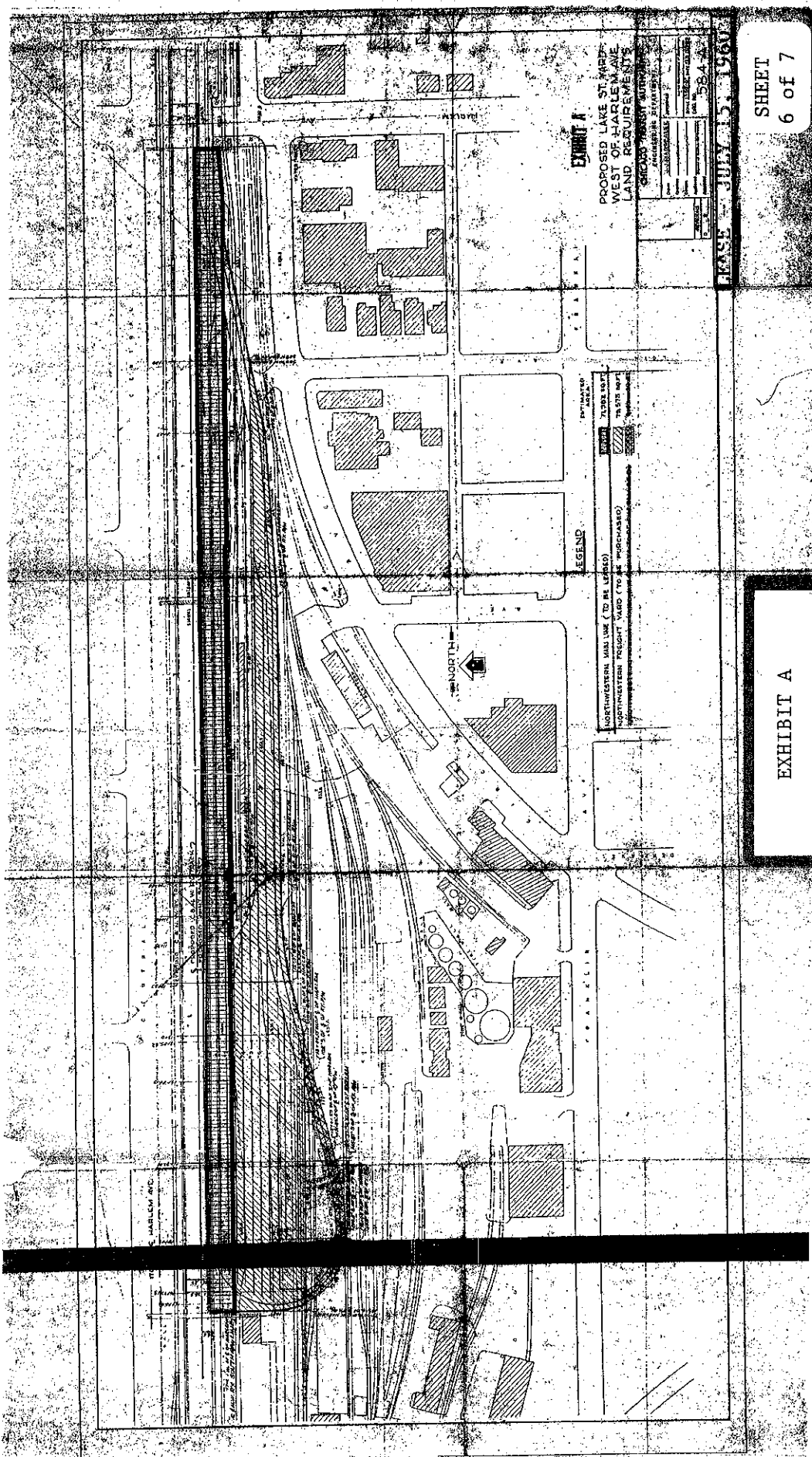
APPROVED

*W. J. McKeen*  
GENERAL MANAGER

APPROVED AS TO  
FORM AND CONTENT  
*W. J. McKeen*

AUTHORIZED BY ORDINANCE NO.  
59-220 OF CHICAGO TRANSIT BOARD

*W. J. McKeen*  
ASSISTANT SECRETARY



SHEET  
6 of 7

EXHIBIT A



CHICAGO TRANSIT AUTHORITY

567 West Lake Street  
Chicago, Illinois 60661-1498  
TEL 312 664-7200  
www.transitchicago.com

**BY CERTIFIED MAIL –  
RETURN RECEIPT REQUESTED**

July 12, 2006

Mr. Dennis D. Brown  
General Director-Real Estate  
Union Pacific Railroad  
1400 Douglas Street, Stop 1690  
Omaha, Nebraska 68179-1690

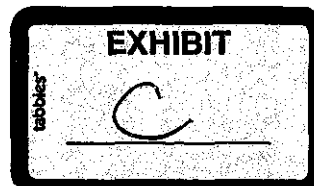
**Re: Chicago Transit Authority  
Green Line-Union Pacific Easement**  
Laramie Avenue in Chicago to Harlem Avenue in Oak Park, and 1,675'  
West of Harlem Avenue in Forest Park, Illinois

Dear Mr. Brown:

The public records indicate that Union Pacific Railroad is the owner of, or has an interest in the rail property from Laramie Avenue in Chicago to Harlem Avenue in Oak Park and 1,675 feet west of Harlem Avenue in Forest Park, Illinois. CTA currently operates on part of Union Pacific's right-of-way under a lease agreement. This property is further described on the attached Exhibit A. (Lease R-O-W Plats).

On June 14, 2006, the Chicago Transit Board of the Chicago Transit Authority passed an ordinance authorizing the purchase of an easement interest as described on Exhibit A. This project is undertaken in accordance with the Metropolitan Transit Authority Act. The Chicago Transit Board has authorized the commencement of acquisition of the subject property.

The Chicago Transit Authority hereby offers to pay the sum of **Seven Million Five Hundred Sixty Four Thousand Four Hundred Dollars (\$7,564,400.00)** for acquisition of a perpetual easement of the subject property including road property, bridges, retaining walls, and buildings and improvements thereon free and clear of all taxes, special assessments, liens, environmental contamination, encumbrances, or claims of any kind and nature. The amount of this offer is based upon the Chicago Transit Authority's inspection of the property and its consideration of the appraisal of the property prepared by an independent appraiser. This offer is contingent upon final approval by the Chicago Transit Board, and that the subject property is in a satisfactory environmental condition.



Mr. Dennis D. Brown  
July 11, 2006  
Page 2

This offer will remain open for a period of fourteen (14) days from the date of this letter. If we do not hear from you within fourteen (14) days, we must conclude that you are not interested in a voluntary sale of the property and that this offer is rejected. In this event, the Chicago Transit Authority intends to commence legal proceedings to acquire the subject property under the eminent domain law.

If you are interested in this offer or have any questions, please contact our attorney, Francine D. Lynch at Neal & Leroy, L.L.C., 203 N. LaSalle Street, Suite 2300, Chicago, Illinois 60601. She can be reached at (312) 641-7144.

Very truly yours,



Kathleen H. Herrmann, Director  
Property & Real Estate Asset Management

KHH:brg

Enc.

cc: Eugene Munin  
Carla Davis  
Eric Oesterle

EXHIBIT A

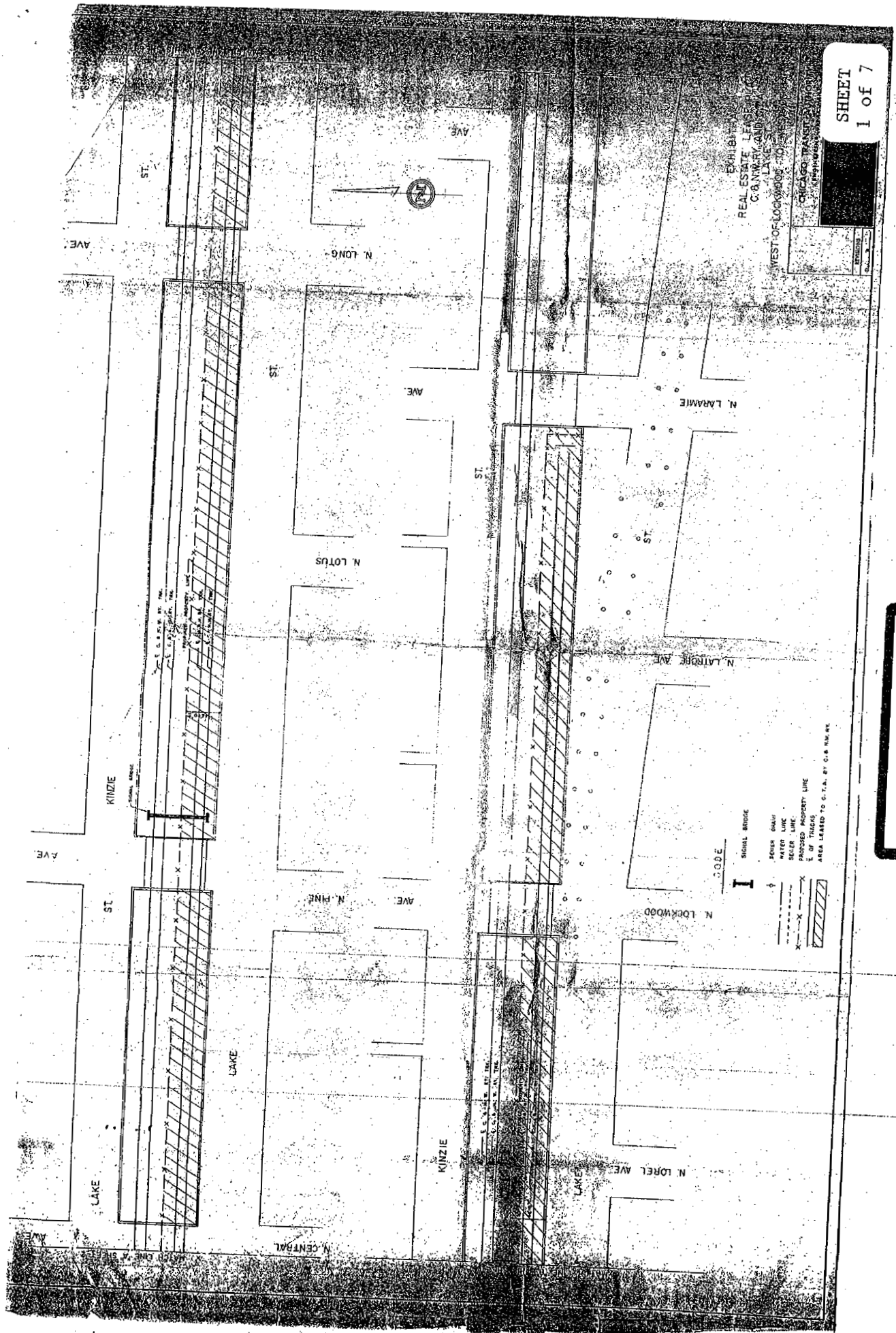
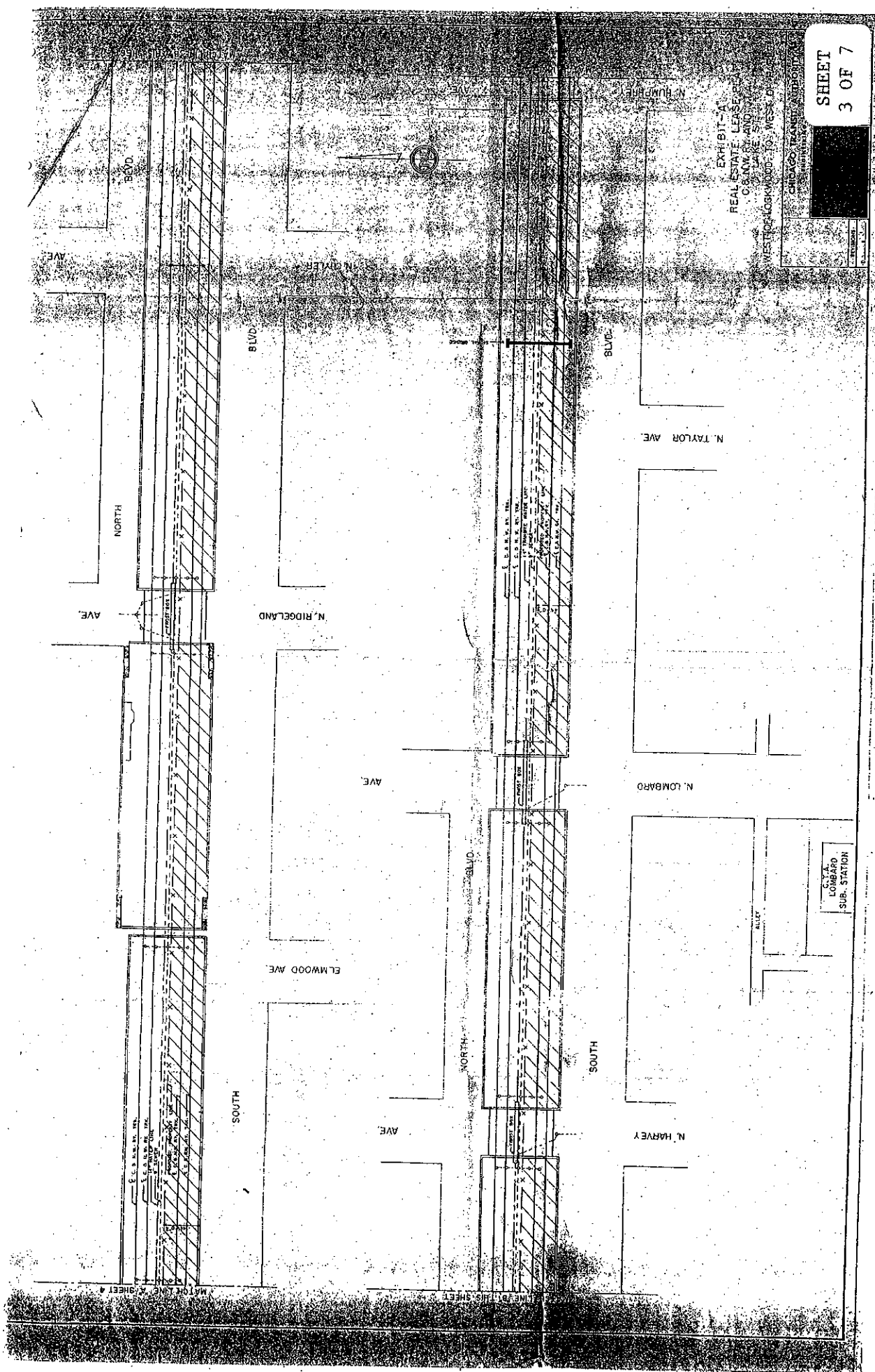


EXHIBIT-A  
REAL ESTATE LEASE  
CRAWFORD AND  
LAWSON  
WEST OF LOCKWOOD TO WEST D

CHICAGO TRANSIT AUTHORITY  
SUBWAY

LOMBARD  
SUB. STATION

EXHIBIT A



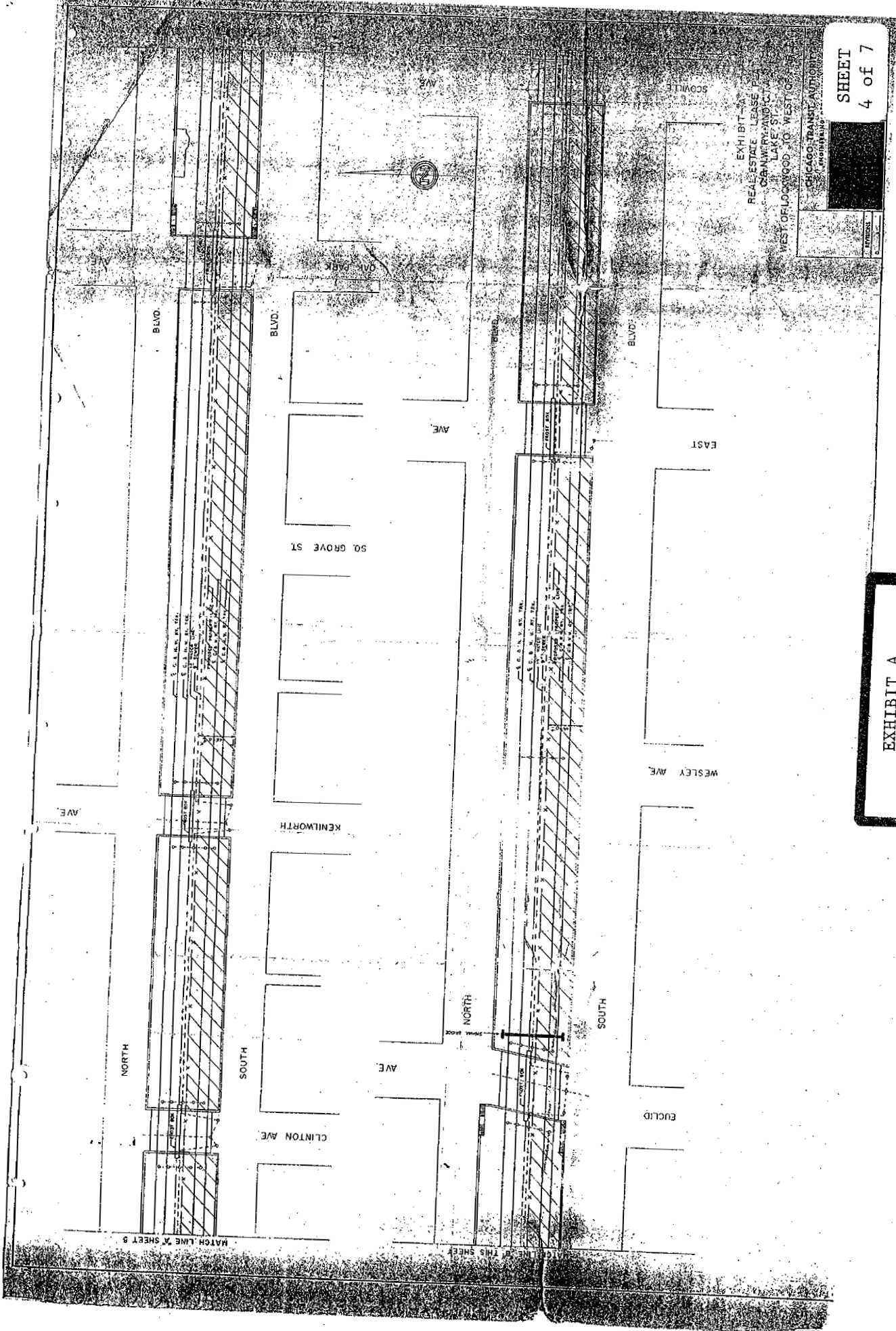


EXHIBIT A

EXHIBIT-A  
REAL ESTATE LEASE PLAN  
CENTRAL AND CITY  
LAKE STREET  
WEST OF LOCHWOOD TO WEST OF  
CHICAGO TRANSIT AUTHORITY  
PROPOSED

